



MUNICIPAL HOME REHABILITATION PROGRAMS

By: Lara Beecher, Legislative Fellow

ISSUE

Briefly describe municipal home repair and rehabilitation programs available to Connecticut homeowners.

SUMMARY

There are several different kinds of municipally administered home repair and rehabilitation programs available to homeowners. This report provides examples of programs supported with U.S. Department of Housing and Urban Development (HUD) grants and those supported with municipal funding. HUD supported programs are the most common type found in Connecticut. Eligibility criteria typically follow the HUD income guidelines for low- and moderate-income households.

The state and federal governments also directly administer funding to homeowners, businesses, and nonprofit organizations offering home rehabilitation assistance, but this report does not address those (see below for links to related reports).

Many of Connecticut's municipalities administer homeowner rehabilitation programs utilizing funding available through the HUD Community Development Block Grant (CDBG) program. CDBG funding is divided between "entitlement" and "non-entitlement" communities. Entitlement communities (i.e., cities with populations of at least 50,000) receive CDBG grants directly from HUD. Non-entitlement communities (i.e., municipalities with populations of less than 50,000) must compete to receive CDBG money through the state's [Small Cities program](#). The Small Cities grants are administered by the Department of Housing (DOH) and the municipality. The municipalities (1) vet applications from residents for a portion of the funding allotted to the municipality and (2) may designate some funding for a project of the municipality's choosing.

While it also has HUD funded programs, New Haven is the only example we found of a municipality with its own housing rehabilitation program separate from the CDBG program.

SUMMARY OF MUNICIPALLY-ADMINISTERED PROGRAMS

In Table 1, East Hartford is an example of a CDBG entitlement community and Norwich and Putnam are examples of non-entitlement communities. Newtown is included as an example of a housing rehabilitation program that was originally funded by the CDBG program but now is self-sustaining through repaid loans. Table 2 contains a brief description of the programs available through New Haven.

The information in the following tables reflects the information available via each municipality's website and hyperlinks to those sites are included in the tables.

TABLE 1: HUD-SUPPORTED REHABILITATION PROGRAMS

Program Name & Local Administrator	Type of Assistance	Eligibility and Conditions	Repairs and Rehabilitation Covered
<u>Housing Rehabilitation Program</u> , East Hartford	0% interest loan payable upon sale or transfer of property <i>or</i> in 180 equal monthly payments	<ul style="list-style-type: none"> • Must be owner occupied and owner(s) must have clear title to the property • Must be maintained in accordance with local building and property maintenance codes • Must have 1 to 4 units of housing • Owner must not have received rehabilitation loan assistance (including Lead Hazard Control Program) within the past 5 years • All property taxes must be current at the time of application (including motor vehicle taxes) • There may be only two mortgages or liens on the property; the town will not take lower than third position • If applying for furnace replacement, property owner must provide a service report from a licensed heating contractor from the previous year 	<p>Eligible projects include:</p> <ul style="list-style-type: none"> • Wiring and electrical service • Plumbing • Handicapped barrier removal • Roof replacement • Furnace replacement • Chimney repair
<u>Housing Rehabilitation Program</u> , Norwich	<ul style="list-style-type: none"> • 0% interest loan for owner-occupants payable upon sale or transfer of property <i>or</i> in 180 equal monthly payments • 0% interest loan for investor-owner payable upon sale or transfer <i>or</i> in 60 equal monthly payments 	<ul style="list-style-type: none"> • All property owners eligible (i.e., both owner occupants and landlords) • Households must meet low and moderate income guidelines as defined by HUD • Must not have negative equity in property • Owner must hold title • Property taxes must be current 	<ul style="list-style-type: none"> • Eligible activities determined based on results of individual building code and lead paint hazard inspections • Items critical to code correction and lead safety are prioritized • Items increasing energy efficiency are also eligible, typically in conjunction with code or lead related corrections

Table 1 (continued)

Program Name & Local Administrator	Type of Assistance	Eligibility and Conditions	Repairs and Rehabilitation Covered
<u>Housing Rehabilitation Program, Newtown</u>	<ul style="list-style-type: none"> • 2% interest loan repayable over 15 years if owner occupied or, if the owner agrees to rent at fair market rents for at least five years, rental units • 0% interest long term loan if owner occupied until sale of property, owner's death, or owner no longer lives there • Applicants should contribute 25% at minimum to total costs 	Household size and income limits include: <ul style="list-style-type: none"> • 2 persons up to \$59,100 • 4 persons up to \$73,850 • 6 persons up to \$85,700 	Eligible work activities must fall into one of the priority categories: <ul style="list-style-type: none"> • Priority I: code violation repairs • Priority II: efficiency improvements • Priority III: anticipated or developing code violations • Priority IV: cosmetic improvements (i.e., painting and non-load bearing indoor carpentry)
<u>Housing Rehabilitation Program, Putnam</u>	<ul style="list-style-type: none"> • 0% interest loan 	<ul style="list-style-type: none"> • Property can be either owner occupied or rented • Households must meet low and moderate income guidelines as defined by HUD • Must be up to date on town taxes and mortgage payments • Must provide a copy of their current homeowner's insurance policy • Must maintain a post-rehab 90% loan to value ratio • Rental property owners must pay 50% of the project costs up front 	Eligible projects include: <ul style="list-style-type: none"> • Safety and public health code violations • Septic system repairs • Well repairs • Roofing • Siding • Structural deficiencies • ADA improvements • Replacement windows • Plumbing • Electrical systems • Heating systems

TABLE 2: MUNICIPALLY-SUPPORTED REHABILITATION PROGRAM

<i>Program Name & Local Administrator</i>	<i>Type of Assistance</i>	<i>Eligibility & Conditions</i>	<i>Repairs & Rehabilitation Covered</i>
<u>Re:novate New Haven</u> , City of New Haven	<ul style="list-style-type: none"> • Loan of up to \$25,000 • Must be split 50/50 between energy efficiency and rehabilitation 	<ul style="list-style-type: none"> • Property can be owner occupied or rented • 1 to 4 unit property • Must be solely residential use • Must be located in New Haven 	<ul style="list-style-type: none"> • Correcting existing housing code violations • Roof repair • Sealing cracks with weather-strip and caulk • Insulating attics and walls • Repairing or replacing windows and doors • Repair, retrofit, or (in some cases) replacement of furnace • Façade improvements (including vinyl siding, porch repair, stoop repair, wrought iron/wood railings, front door or storm door) • Preventive maintenance • Other improvements deemed to enhance the health and safety of the structure as determined by program staff

FURTHER READING

For information on the state's Community Development Block Grant (CDBG) program see <http://www.ct.gov/doh/cwp/view.asp?a=4513&q=530474>.

For information on the federal government's CDBG program see http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/comm_unitydevelopment/programs.

For information about state-administered and federally-administered home repair and rehabilitation programs see OLR Report 2015-R-0097 <https://www.cga.ct.gov/2015/rpt/pdf/2015-R-0097.pdf>.

For information about residential energy and weatherization programs see OLR Report 2015-R-0107 <https://www.cga.ct.gov/2015/rpt/pdf/2015-R-0107.pdf>.

For information about state homebuyer assistance programs see OLR Report 2015-R-0054 <https://www.cga.ct.gov/2015/rpt/pdf/2015-R-0054.pdf>.

LB:cmg